In the District Court of the United States for the District of Oregon

No. C–16890

UNITED STATES OF AMERICA

v.

MAX SAGNER, DEFENDANT

JURISDICTIONAL STATEMENT

In compliance with Rule 37 (a) (1) of the Federal Rules of Criminal Procedure and Rule 12 of the Supreme Court of the United States, as amended, the United States submits herewith its statement particularly disclosing the basis upon which the Supreme Court has jurisdiction on appeal to review the judgment of the District Court entered in this cause on January 20, 1947, arresting a judgment of conviction and dismissing the indictment.

The District Court of the United States for the District of Oregon entered its Order Arresting a Judgment of Conviction and dismissed the indictment in the above entitled cause on the 20th day of January, 1947, for the reason and upon the grounds that the indictment failed to state facts sufficient to constitute a crime under the statutes

of the United States in that the Emergency Price Control Act of 1942 as amended and extended (Pub. L. 421, 77th Cong., 2d Sess., 56 Stat. C26, 50 U. S. C. A. App, 212, Pub. L. 383, 78th Cong., 2d Sess., 57 Stat. 566 Pub. L. 108, 79th Cong., 1st Sess., C. 214), had expired on June 30, 1946 and that as a result no valid indictment could thereafter be returned for offenses occurring prior thereto. The United States of America on the 14th day of February, 1947 filed in the District Court its application for appeal to the Supreme Court of the United States from the District Court's ruling. The United States contends that the Supreme Court of the United States has jurisdiction to review the District Court's judgment and order of dismissal by virtue of the Act of May 9, 1942, 56 Stat. 271, Title 18, U. S. C., Sec. 682 and Section 238 of the Judicial Code, Title 28, U. S. C. Sec. 345.

The District Court in construing the Emergency Price Control Act, as amended and extended, failed to recognize and give effect to the saving clause provisions in either the Emergency Price Control Act of 1942, as amended June 30, 1945, Chap. 214, Sec. I, 59 Stat. 306, Title 50 App. U. S. C. Sec. 901 (b) or the general saving clause embraced in the revised Statutes Title I, U. S. C., Sec. 29, 29 (a) as Amended March 22, 1944, Chap. 123, 58 Stat. 118, R. S. 5599. The Act of June 30, 1945 provided:

901. Purposes: time limit; applicability (Title 30, App. USC)

(b) The provisions of this Act (sections 901–922, 923–946 of this Appendix), and all regulations, orders, price schedules, and requirements thereunder, shall terminate on June 30, 1946, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offense committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act (said sections) and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

Section 29, U. S. C., Title 1, provides:

29 Repeal of Statutes as Affecting Existing Liabilities (Title 1, USC):

The repeal of any statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the repealing Act shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of

such penalty, forfeiture, or liability. The expiration of a temporary statute shall not have the effect to release or extinguish any penalty, forfeiture, or liability incurred under such statute, unless the temporary statute shall so expressly provide, and such statute shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such penalty, forfeiture, or liability.

Section 29 (a) U. S. C. Title 1, provides:

29a. Saving Clause: Limitations of Actions and Proceedings, Both Civil and Criminal, Arising Prior To Repeal Provisions of Revised Statutes.

All acts of limitations, whether applicable to civil causes and proceedings, or to the prosecution of offenses, or for the recovery of penalties or forfeitures, embraced in the Revised Statutes and covered by the repeal contained therein, shall not be affected thereby, but all suits, proceedings or prosecutions, whether civil or criminal, for causes arising, or acts done or committed prior to said repeal, may be commenced and prosecuted within the same time as if said repeal had not been made.

This case arose out of an alleged violation of MPR No. 540, etc. issued pursuant to the Emergency Price Control Act of 1942, as amended and extended (supra). The indictment alleges that the defendant on the 26th day of December, 1945,

sold a used automobile to a third person for a consideration in excess of the price allowed by the regulation. The indictment was returned and filed on the 16th day of September, 1946. The defendant was duly arraigned on November 14, 1946 at which time a plea of not guilty was entered. On November 16, 1946 the defendant having filed a written waiver of trial by jury, the Court found the defendant guilty as charged in the indictment and referred the defendant to the probation office for pre-sentence investigation. Pending the pre-sentence investigation the defendant moved to arrest the judgment of conviction. The District Court's ruling was made in contravention of the Saving clauses as contained in the Emergency Price Control Act of 1943, as amended and extended, and also in violation of the General Provisions of the Rev. Statutes, Title 1, U. S. C. Sec., 29 and 29 (a). District Court rulings involving validity of the U. S. Statutes are appealable direct to the Supreme Court of the United States by virtue of Title 28 U. S. C. Sec. 682 and Title 28 U. S. C. Sec. 345. *U. S.* v. *Midstate Horticultural Co.,* 59 S. Ct., 412, 306 U. S. 161, 83 L. Ed. 563; *U. S.* v. *Kapp,* 58 S. Ct. 182, 302 U. S. 214, 22 L. Ed. 205.

The United States contends that the questions involved are substantial because in effect the District Court has ruled that no indictments or informations can be brought for any violation of

the Emergency Price Control Act of 1942, as amended and extended, occurring prior to June 30, 1946, unless the indictment or information has been returned and filed prior to that date. The effect of such ruling is obvious and its result would be far reaching if allowed to stand.

We submit therefore that under both the general saving statute and the special provision of the Emergency Price Control Act, the United States is given the right to maintain enforcement actions for violations of the Act committed during its life, even though such proceedings might not be commenced until after its expiration. This issue is important because large numbers of similar situations are now pending in the courts or are under consideration for institution of legal action. Such a restrictive interpretation as the Court would place upon the statute hampers effective enforcement of the rent control program and is contrary to the legislative policy as expressed in the Emergency Price Control Act of 1942 and the Price Control Extension Act of July 25, 1946, Public No. 548, c. 671, 79th Cong., 2d Sess.

The Supreme Court has consistently applied the general provision to permit prosecutions commenced after the repeal or expiration of a statute, so long as the right of action existed prior to that time. See *United States* v. *Reisinger,* 128 U. S. 398; *Great Northern Railway Co.* v. *United States,* 208 U. S. 452; *Hertz* v. *Woodman, supra.*

See also *United States* v. *Standard Oil Company*, 148 Fed. 719, 726 (N. D. Ill); *United States* v. *C. S. and P. M. Northern Railway Co.*, 151 Fed. 84 (D. Minn.), Affirmed, 162 Fed. 835 (C. C. A. 8), certiorari denied, 212 U. S. 579–580; *Lang* v. *United States*, 133 Fed. 201 (C. C. A. 7).

There is hereby incorporated into this jurisdictional statement a transcript of the proceedings before the District Court and it is appended hereto. There was no written opinion rendered by the District Court so it will be necessary to refer to the transcript in determining the basis of the District Court's decision.

Dated at Portland, Oregon, this 14th day of February, 1947.

HENRY L. HESS,
Henry L. Hess,
United States Attorney,
for the District of Oregon.

J. ROBERT PATTERSON,
J. Robert Patterson.
Assistant United States Attorney,
506 U. S. Court House, Portland, Oregon.

Endorsed: Filed Feb. 14, 1947.

George T. Washington,
Acting Solicitor General

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v.

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OPINION

In his certificate to the Supreme Court, the United States Attorney has stated that I did not give my reasons for dismissing this indictment. Herewith I briefly state the grounds for my decision.

Since the decision in *Yakus* v. *United States,* 321 U. S. 414 (1944), I have presided at the trial of many OPA cases, and I became impressed with the great injustice of denying defendants the right to challenge the validity of the regulation or order under which they were being prosecuted.

The cases have presented a variety of circumstances, many involving most grievous oppression. It is absurd to think the average citizen can take his case before a special court, such as the Emergency Court of Appeals. The infinitesimal percentage of cases heard by that Court proves it. The joker in Section 204 (d) of the Price Control Act, upheld by the *Yakus* decision, is that it covers *orders* as well as regulations.

OPA has put out thousands of orders (nobody knows how many), some national in scope, others regional, local, and a great many directed to individuals. By that I mean a great number of people have been "ordered" individually and personally not to do this or that about their affairs. For example, a father was ordered not to do business with his son, solely because he was his son.

In none of these cases, under the Supreme Court ruling, could the citizen defend himself when sued by OPA or when prosecuted criminally at the instance of OPA, unless he had taken the circuitous, and in most cases utterly impossible, course of resorting to the Emergency Court of Appeals. When brought into court the citizen could not, under the *Yakus* decision, even challenge the jurisdictional validity of the order. Compare *Estep* v. *United States,* 327 U. S. 114.

And so, observing day by day the harsh workings of the *Yakus* decision, I determined that a rule of strict construction was justified, particularly in criminal cases, and that is the rule I applied in the present case. Much more by way of construction has been done in American-Anglo legal history to preserve natural right.

Dated February 20, 1947.

[S] CLAUDE MCCOLLOCH,
Judge.

Endorsed: Filed Feb. 20, 1947.

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